

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 60th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By Chairman Bob Lake, on February 21, 2007 at 8:00 A.M., in Room 152 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Bob Lake, Chairman (R)  
Rep. Jill Cohenour, Vice Chairman (D)  
Rep. Jon Sonju, Vice Chairman (R)  
Rep. Norma Bixby (D)  
Rep. Mark Blasdel (R)  
Rep. Edward B. Butcher (R)  
Rep. Ron Erickson (D)  
Rep. Wanda Grinde (D)  
Rep. Robin Hamilton (D)  
Rep. Edward Hilbert (R)  
Rep. Mike Jopek (D)  
Rep. Carol Lambert (R)  
Rep. Gary MacLaren (R)  
Rep. Dave McAlpin (D)  
Rep. Bill Nooney (R)  
Rep. JP Pomnichowski (D)  
Rep. John (Jack) W. Ross (R)  
Rep. Chas Vincent (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Jeff Martin, Legislative Branch  
Debra Polhemus, Committee Secretary

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: HB 682, 2/15/2007; HB 685,  
2/14/2007; HB 746, 2/14/2007;  
HB 748, 2/15/2007  
Executive Action: HB 635; HB 675; HB 529; HB 748  
HB 599

**HEARING ON HB 746**

**Opening Statement by Sponsor:**

00:02:52 Rep. Ron Erickson (D), HD 93, opened the hearing on HB 746, Allow tax credit for capital construction donations to tax-exempt organizations.

**Proponents' Testimony:**

00:08:17 Michael Halligan, Director of Corporate and Government Relations, Washington Companies, also Director of Development, Washington Foundations, Missoula

00:11:09 Jerry Kuhl, representing Foundation for the Diocese of Helena

00:12:37 Gail Abercrombie, representing Montana Contractors Association

00:14:35 Janie McCall, representing Montana Children's Initiative Provider Association and Billings Clinic Foundation

00:16:06 Charlie Briggs, representing Montana Association of Community Disability Services

00:17:15 Peter Sullivan, Sullivan Financial Group

[EXHIBIT \(tah39a01\)](#)

[EXHIBIT \(tah39a02\)](#)

00:22:42 Russ Ritter, previous Helena Mayor

[EXHIBIT \(tah39a03\)](#)

00:24:32 Terry Chaney, Development Director, Montana Intermountain Children's Home

00:25:31 James W. Duffy, President, Ft. Harrison Museum Foundation

[EXHIBIT \(tah39a04\)](#)

00:28:09 Mike Munck, Executive Vice President, St. Peter's Hospital Foundation

00:29:50 Betsey War, Helena resident and active donor

00:30:41 Jim Ahrens, President, Montana Hospital Association

**Opponents' Testimony:**

00:31:06 Linda Reed, President and CEO, Montana Community Foundation

**Informational Testimony:**

00:34:43 Derek Bell, Council, Department of Revenue

**Questions from Committee Members and Responses:**

00:36:11 Rep. Hilbert

00:37:40 Rep. Cohenour

**Closing by Sponsor:**

00:38:55 Rep. Ron Erickson

**HEARING ON HB 682**

**Opening Statement by Sponsor:**

00:40:52 Rep. Walter McNutt (R), HD 37, opened the hearing on HB 682, Revise wholesale electric transmission tax.

**Proponents' Testimony:**

00:42:21 John Fitzpatrick, representing Northwestern Energy

[EXHIBIT](#)(tah39a05)

[EXHIBIT](#)(tah39a06)

**Opponents' Testimony:**

00:52:05 Dave Hoffman, PPL Montana

[EXHIBIT](#)(tah39a07)

**Informational Testimony:**

00:56:07 Gene Walborn, Department of Revenue

**Questions from Committee Members and Responses:**

00:56:30 Rep. Erickson

00:57:28 Rep. Hamilton

00:58:18 John Fitzpatrick

00:59:54 Gene Walborn

**Closing by Sponsor:**

01:02:49 Rep. Walter McNutt

**HEARING ON HB 685**

**Opening Statement by Sponsor:**

01:03:36 Rep. Dave McAlpin (D), HD 94, opened the hearing on HB 685, Local option tax.

[EXHIBIT\(tah39a08\)](#)

[EXHIBIT\(tah39a09\)](#)

**Proponents' Testimony:**

01:09:37 Darryl James, HKM Engineering

01:10:58 Chris Kukluski, City Manager, Bozeman

[EXHIBIT\(tah39a10\)](#)

[EXHIBIT\(tah39a11\)](#)

[EXHIBIT\(tah39a12\)](#)

01:16:18 Alec Hanson, Montana League of Cities and Towns

[EXHIBIT\(tah39a13\)](#)

01:23:28 Janie McCall, representing City of Billings

[EXHIBIT\(tah39a14\)](#)

01:25:12 John Engen, Mayor, City of Missoula

01:26:30 Harold Blattie, Executive Director, Montana Association of Counties

01:26:50 Joe Mazurek, representing City of Great Falls

01:27:37 Anna Rosenberry, Finance Director, City of Bozeman

01:29:20 Mike McGinley, Beaverhead County Commissioner

01:30:00 Jay Skoog, Executive Director, American Council of Engineering Companies of Montana

**Opponents' Testimony:**

01:31:26 Mary Whittinghill, Montana Taxpayers Association

01:36:57 Nancy Schlepp, representing Farm Bureau Federation

01:39:11 Webb Brown, representing Montana Chamber of Commerce

01:39:54 Errol Rice, representing Montana Stock Growers Association

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

01:40:52 Rep. Butcher

01:41:15 Rep. McAlpin

[EXHIBIT\(tah39a15\)](#)

01:45:26 Rep. Nooney

01:46:35 Rep. Ross

01:48:48 Rep. Erickson

01:50:15 Rep. Jopek

**Questions from Committee Members and Responses: (Con't)**

01:55:25 Rep. McAlpin  
01:56:09 Rep. Jopek  
01:56:55 Alec Hanson  
01:57:50 Rep. Jopek  
01:58:35 Chairman Lake  
01:58:50 Rep. Jopek  
01:59:07 Rep. Hilbert  
02:01:12 Rep. Lambert  
02:02:23 Rep. Ross  
02:05:00 Chairman Lake  
02:08:14 Rep. Grinde

**Closing by Sponsor:**

02:08:54 Rep. Dave McAlpin  
  
02:10:12 Break  
02:24:20 Reconvene

**HEARING ON HB 748**

**Opening Statement by Sponsor:**

02:24:44 Rep. Jon Sonju (R), HD 7, opened the hearing on HB 748, Directing Department of Revenue to revise energy tax credit rules.

**[EXHIBIT\(tah39a16\)](#)**

**Proponents' Testimony:**

02:31:53 Patrick Judge, Montana Environmental Information Center

**Opponents' Testimony:** None

**Informational Testimony:**

02:33:11 Brian Olsen, Department of Revenue

**[EXHIBIT\(tah39a17\)](#)**

02:35:40 Brian Green, Department of Environmental Quality

**Questions from Committee Members and Responses:**

02:35:59 Rep. Lambert  
02:39:02 Rep. Cohenour  
02:40:52 Jeff Martin  
02:42:20 Rep. Jopek  
02:43:40 Chairman Lake  
02:44:12 Rep. Jopek  
02:45:04 Brian Green  
02:47:21 Rep. Lambert  
02:48:03 Brian Olsen  
02:48:22 Rep. Cohenour

**Closing by Sponsor:**

02:49:47 Rep. Jon Sonju

02:50:59 Rep. McAlpin

**EXECUTIVE ACTION ON HB 599**

02:53:53 **Motion:** Rep. Cohenour moved that **HB 599 DO PASS.**

02:54:24 **Motion:** Rep. Cohenour moved that **HB 599 BE AMENDED.**  
**EXHIBIT**(tah39a18)

**Discussion:**

02:54:39 Jeff Martin  
02:56:11 Rep. Cohenour  
02:56:48 Jeff Martin  
02:57:00 Rep. McAlpin  
02:57:33 Rep. Erickson  
02:57:54 Rep. Lambert  
02:59:42 Rep. Ross  
03:00:25 Jeff Martin

03:00:59 **Vote:** **MOTION CARRIED** 16-2 by voice vote with Reps.  
Lambert and Ross voting no.

03:01:34 **Motion:** Rep. Cohenour moved that **HB 599 DO PASS AS**  
**AMENDED.**

**Discussion:**

03:01:42 Rep. Erickson  
03:02:19 Jeff Martin  
03:03:02 Rep. Erickson  
03:03:19 Chairman Lake  
03:04:02 Jeff Martin  
03:04:34 Chairman Lake  
03:05:01 Jeff Martin  
03:05:12 Chairman Lake  
03:05:27 Rep. Cohenour

03:06:13 **Motion:** Rep. Erickson moved that **HB 599 BE AMENDED**  
with a conceptual amendment.

**Discussion:**

03:06:26 Rep. Lambert

03:06:38 **Vote:** **MOTION CARRIED** unanimously by voice vote.

**Discussion:**

03:07:06 Jeff Martin

03:07:14 **Motion:** Rep. Cohenour moved that **HB 599 DO PASS AS**  
**AMENDED.**

**Discussion:**

03:07:26 Rep. Hilbert  
03:08:31 Rep. Sonju  
03:08:44 Rep. Cohenour  
03:10:06 Rep. Butcher  
03:11:34 Rep. Ross  
03:12:00 Rep. Erickson  
03:13:11 Rep. Grinde  
03:13:34 Rep. McAlpin  
03:13:49 Rep. MacLaren

03:14:06 **Vote:** **MOTION FAILED** 9-9 by roll call vote with Reps.  
Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek,  
MacLaren, McAlpin, and Pomnichowski voting aye.

**EXECUTIVE ACTION ON HB 635**

03:15:45 **Motion:** Rep. Cohenour moved that **HB 635 DO PASS.**

**Discussion:**

03:15:57 Rep. Pomnichowski

03:16:43 Rep. Sonju

03:17:19 Rep. Cohenour

03:19:03 Chairman Lake

03:19:39 **Substitute Motion/Vote:** Rep. Sonju made a substitute motion that **HB 635 BE TABLED. SUBSTITUTE MOTION CARRIED** 10-8 by roll call vote with Reps. Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek, McAlpin, and Pomnichowski voting no.

**EXECUTIVE ACTION ON HB 675**

03:22:53 **Motion:** Rep. Sonju moved that **HB 675 DO PASS.**

03:23:14 **Substitute Motion/Vote:** Rep. Sonju made a substitute motion that **HB 675 BE TABLED. SUBSTITUTE MOTION CARRIED** unanimously by voice vote.

03:23:36 Rep. Ross left the hearing

**EXECUTIVE ACTION ON HB 529**

03:23:47 **Motion/Vote:** Rep. Sonju moved to **REMOVE HB 529 FROM THE TABLE. MOTION CARRIED** 10-8 by roll call vote with Reps. Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek, McAlpin, and Pomnichowski voting no and Rep. Ross voting by proxy.

03:25:21 **Motion:** Rep. Sonju moved that **HB 529 DO PASS.**

**Discussion:**

03:25:26 Rep. Jopek

03:25:41 Rep. Cohenour

03:26:06 Recess

03:33:21 Reconvene



**Discussion:** (Con't)

03:33:30 Chairman Lake  
03:33:46 Jeff Martin  
03:34:13 Rep. Cohenour  
03:34:34 Jeff Martin

03:36:00 **Motion:** Rep. Sonju moved that **HB 529 BE AMENDED.**  
**EXHIBIT**(tah39a19)

**Discussion:**

03:36:25 Rep. Erickson  
  
03:36:30 **Vote:** **MOTION CARRIED** unanimously by voice vote with  
Rep. Ross voting by proxy.  
  
03:36:43 **Motion:** Rep. Sonju moved that **HB 529 DO PASS AS**  
**AMENDED.**

**Discussion:**

03:37:02 Rep. Cohenour  
03:37:38 Rep. MacLaren  
03:38:16 Rep. Erickson  
03:38:43 Rep. Sonju  
03:40:09 Rep. Bixby  
03:40:43 Rep. Nooney  
03:41:23 Rep. Jopek  
03:42:42 Rep. Erickson  
03:43:25 Rep. Butcher  
  
03:44:22 **Vote:** **MOTION CARRIED** 10-8 by roll call vote with Reps.  
Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek,  
McAlpin, and Pomnichowski voting no and Rep. Ross  
voting by proxy.

**Discussion:**

03:45:22 Rep. Cohenour

**EXECUTIVE ACTION ON HB 748**

03:45:46 **Motion:** Rep. Sonju moved that **HB 748 DO PASS.**  
  
03:45:56 Rep. Lambert left the hearing

03:46:32 **Motion:** Rep. Cohenour moved that **HB 748 BE AMENDED** with a conceptual amendment.

**Discussion:**

03:47:06 Jeff Martin

03:47:29 Rep. Sonju

03:47:36 Jeff Martin

03:48:00 Rep. Sonju

03:48:28 **Vote:** **MOTION CARRIED** unanimously by voice vote by with Reps. Lambert and Ross voting by proxy.

03:48:39 **Motion/Vote:** Rep. Sonju moved that **HB 748 DO PASS AS AMENDED. MOTION CARRIED** unanimously by voice vote with Reps. Lambert and Ross voting by proxy.

**Additional Exhibits:**

**EXHIBIT**(tah39a20)

Conceptual amendment to HB 748

**ADJOURNMENT**

Adjournment: 12:00 P.M.

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REP. BOB LAKE, Chairman

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DEBRA POLHEMUS, Secretary

BL/dp

Additional Exhibits:

**EXHIBIT ([tah39aad.pdf](#))**